was vitally important to our economy and to every citizen of the United States. Today, 3 years later, I am more than ever convinced that this law should be kent on the books, and I believe it should be extended for 5 years to remove uncertainties in the minds of businessmen both here and abroad.

Duting the past 3 years our country has give through a period of prosperity never before known in the history of the world. One of the important factors in this high level of income was our exportimport frade. For the year just ended we exported \$19.5 billion worth of our products and imported just under \$13 billion from our friends and customers overseas. This trade produced employment for 4,400,000 of our people. During that same period the trade of all freeworld countries reached an annual rate

greater than \$100 billion.

President Eisenhower has repeatedly stated his belief that the road to peace is the two-way road of international trade. With this I heartily concur.

Lenders of our business and industrial world have gone on record in favor of this bill Civic organizations, labor organizations, veterans/organizations—the list is too long for me to enumerate here. Suffice it to say that the American peo-ple are demanding the continuation of the trade policies of the Eisenhower administration. And the demand is a bipartisan one.

Under these trade policies we have maintained a position of leadership amone the nations of the free world. We must at all costs maintain this leadership if we are to win in the economic warfare being waged against us by the U. S. S. R. The newly developing quantries all over the world look to us not for aid but for trade. They must sell their products to ns in order/to buy from us.3. If we were to raise a higher wall of tariffs and isolate ourselves behind it, these struggling countries would have to turn elsewhere for the good things of life their people are demanding.

In summation may I say that no more important piece of legislation will come before the Congress at this session. believe that the vast majority of the people of my own great industrial State of New Jersey favor this legislation, dependent as we are for so much of our prosperity and the resultant employment on that foreign trade which passes up New York Harbor and Delaware Hay. Let us demonstrate to the watching world by passing this legislation that America will maintain its leadership in our great rusade towards peace and prosperity for this Nation and the rest of the free world.

THE KREMLIN REACTS TO A SOLAR PLEXUS BLOW

(Mr. KEATING asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. KEATING. Mr. Speaker, when we hit the Russians where it hurts, they yell-long and loud. We have had a good example of this recently.

On January 19 I joined with a mumber of Members of Congress and other distinguished Americans in beaming special messages to the people of the Soviet Union. The eccasion was the 40th anniversary of Lenin's destruction of the freely elected Russian Constituent Assembly.

We broadcast over Radio Liberation, the conduit by means of which the American Committee for Liberation contacts those behind the Iron Curtain. These messages were part of the fine educational and informational program being vigorously carried out by the com-This group is to be highly committee. mended for the splendid work they are doing to get the truth to the Russian people.

The me mages on January 19 conveyed the sympathy of all the American peo-pie for the ruthless blotting out of democracy in the Soviet Union 4 decades

The Constituent Assembly marked a milestone in the history of the Russian people. For an all too brief period the merciless grip of tyramy was thrust away. In its place arose a democratic parliament representative of the wishes of the people and responsive to their thoughts. It was a legislature anxious to translate the desires of the citizenry into reality.

By giving land to the peasantry, by calling for a democratic peace, and by declaring the equality of all nationalities residing within the Russian Republic, the Assembly made great strides toward giving the people a responsible, democratic form of government.

But the grasping hands of diotatorship were not long absent. In a swift stroke the Marxist executioners be-headed the newborn giant. Unable to win by ballet, they close to rule by be let. Gallant patriets who had given the Russian people a government they could truly call their own were mercilessly hunted down and destroyed to satisfy the hunger for power of a few men. It is a hunger for power which still manifests itself today. It remains unsatisfled.

In the place of the Chars rose a regime more ruthless, more efficient in its terror, than the reign of Nicholas II ever pretended to be. In the years that followed, the Communist record of bloody suppression fully lived up to the precedent established in this demolition of democracy.

Thus, the story conveyed in the messages over Radio Liberation was one of great significance to the englayed masses of the Soviet Union today. But perhaps of even greater significance was the reaction of the masters in the Kremlin to these broadcasts.

The Communist overlords reacted like a paunchy fighter who has just been belted with a good, straight solar plexus blow. First, they doubled up in response to a stroke to their vitals. Then, they started flathing wildly in all directions. In this way, they betrayed the real fear which haunts those who today pull the strings behind the forbidding walls of the Kremlin.

The response came in the form of a lengthy article in Isvestia, an official Government publication. It was also beamed over Radio Moscow. Moscow

lashed out in pain, fury, and desperate sarcasm at those who had made the broadcasts. Special efforts were made to ridicule Congress, our American institutions, and particularly the Constituent Assembly. The following exclearly how well this blow for freedom struck home:

It is not the custom to hold gay denoes at the bier of a deceased person. Certain Members of the Campress of the United States, in spite of this rule adopted by all civilized peoples, had a gay time at a funeral banquet several days ago. This was the funeral banquet of the Russian Constituent Assumbly, which died a peaceful death 40

The fate of the Constituent Assembly

The Sate of the Constituent Assembly arouse devict people just as much as the smown of peaterpeer. They are completely acticised with the Seviet Constitution and the all papular elected Soviet Parliament, the Supreme Soviet of the U. S. S. R. A man who supposes that the bestial persecutions in the United States of America of the Hagre population and the diagraceful behavior of the Hagre separation of democracy is really are a true supposes of democracy is not new to measure about anything. havier or true expression or comments to personne about anything, not easy to possende about anything. Therefore, we shall leave of attempts to injust any amount of ear

The attack ran the samut of emotions. from jeering at these who spoke, to pooh-poohing the significance of the Constituent Assembly and the power of its memory on the Bussian people. There was a most revealing-almost pitiable defense of their own rubberstamp Supreme Seviet.

I was particularly struck with the claim of universal support for and ec-static approval of this so-called parliamont. Now, if the Eremiin is so sure of the popular enthusiasus for this body, they might expinin why they do not simply hold free elections, as we do, and prove it to the world.

The answer is, of course, that the masters of the Kremlin are afraid. They cannot, in a showdown, count on the wholehearted support of the great masses of the people,

Clearly, we have been able to strike a ringing blow. Until these messages were broadcast, this anniversary of Soviet shame went unnoticed in the Government-controlled Russian press. This is one of the most vulnerable points in the Soviet armor—the question of the freedom and representative nature of the present Parliament, as compared with a parliament which was once actually voted into office by the people.

By means of these messages, we made clear the universal human impact of the story of the Constituent Assembly. It is a story as glorious as It is tragic. It is a story which contains the seeds of hope rooted deep in the Russian democratic tradition and the genius of the Russian Deople.

Mr. Speaker, the ideas and ideals held so courageously by Kerensky and his compatriote are not dead. The broadcasts constituted no funeral. Rather. they served to remind the Soviet people of the giant of democracy that lies chained within them. It is a giant pearning to rise again.

The yearning of the Russian people to be free remains unquenched. And the The Kreinlin have shown us that low that fact.

it is my firm impression, based on the section to these messages over Radio frectation, that the regime in power is traid. The Kremlin is as afraid, as we can be hopeful, that the peoples of the isolated Union will once again find a way to democracy and freedom and help to hald a better world. Let us hope that the example set by the Constituent Assembly will serve as a beacon of hope hading the people of Russia out of the arkness of dictatorship into the light of liberty.

. MALL BUSINESS: AN INVESTMENT IN AMERICA'S STRENGTH

(Mr. ROOSEVELT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr ROOSEVELT. Mr. Speaker, yesterday, the distinguished chairman of the Small Business Committee introduced a bill in which I have both a deep personal concern and strong intellectual convictions. This is the bill to create a system of Small Business Capital banks.

I am happy to have been able to paraccupate in the drafting of the bill to cream a system of Small Business Capital banks and in the work and study which came before. Since the rules of the House do not permit Members to join in the introduction of a bill, but require that each Member who would put his name to a bill introduce it in his own plane, I have so introduced the bill to create a system of Small Business Capihal banks. I endorse the bill completely, It presents a most felicitous solution to a most unnappy problem. In fact, I cannot recall a bill so satisfying as this bill. I sincerely hope that both its terms and its high principles will be acceptacle to timost everybody. And yet it contains no compromises; it does not ask for halfmeasures. And what is most satisfactory, the bill meets head on a problem which hangs like an ominous cloud over our country.

SURPOSE OF SMALL BUSINESS CAPITAL BANKS

The Small Business Capital Bank System has but one purpose. That is to reate a practical and workable means aftereov small business may fairly bid our investment funds. Thus what the bill does is to set up a system of investment banks which will do for small firms that the investment bankers and the recanized securities markets such as are entered at Wall Street do for big firms.

Under this system of Small Business clapital banks, a small firm may obtain mestment funds in either of two ways. It may obtain loan funds, under specified terms for repayment and at a specific take of interest. Or the small firm allower attractive stock and alood circle prospects may sell stock to the system will be a force the Florem will like

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the whole purpose of establishing the new system, to provide the kind of service that is so much needed and not now available. This being true, there are two features of the bill which, to my mind, are essential to the success of this system. First, financing decisions will be made by local investment associations, comprised of local citizens who will back their judgments with a portion of their own money.

Second, provision is made for local investment groups to build up private capital in the system, to return the Government funds and take over complete ownership and management of the system. This it seems to me is the main objective, and the only real solution to the problem. What we are trying to do here is to get started a private-enterprise service which will stand on its own feet and make a profit by supplying a needed service where none now exists.

NOT A STOFGAP MEASURE

In recent years the Federal Government has operated several programs for making loans to small firms, such as in the Smaller War Plants Corporation, the RFC, the Small Defense Plants Administration and now the Small Business Administration. But these have all been stopgap measures, taken because of the extreme urgency of the problem. A Federal bureau making loans to individual small businesses was never intended. I think, to offer any permanent solution to the problem.

Now, how will the funds to capitalize these small business capital banks be raised? Some Federal funds are called for—approximately \$150 million, which is a most modest amount considering the purpose they are to serve. As has been pointed out, use of these will not require appropriations, and it will not increase the Federal debt.

The bill calls for the transfer of certain funds from the Federal Reserve System which are not now earning interest. These consist in part of the uncommitted portion of the funds provided in 1934, under section 13 (b) of the Federal Reserve Act. from which the reserve banks were to make loans to The Federal Reserve small firms. Board feels that the Federal Reserve System is the wrong agency to operate this program, and the board has recommended to Congress, within recent months, that the Federal Reserve System tem be relieved of both the program and the funds. It is entirely appropriate, then, that the funds be transferred to a place where they will be used on carry out the objective for which they were provided.

In addition, the bill calls for transfer of \$10 million from the surplus recount of each of the Federal Reserve mils. These accounts, as I understand if, the been accumulated from interest revinence of United States Government

Local an item for comparison, I will interest in the Record a summary table of the limited States Government's approimations and commitments for foreign end.

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Torz.—1(5) million for the Smail Education and Heak System would amount the state of a percent of above total.

THE BUSINESS NEEDS OFFORTUNITY - NOT HANDOUT

ow I should like to dwell briefly a nature of the problem which this ! intended to solve. The problem is a BRIDW one. We have known for a le that there is a need for some inc nional mechanism whereby small fir an bid for the available investme ids. Small firms with good earn mords and bright prospects cani nu-at any reasonable cost-the thers who would invest in their sto and share in the fortunes of the an r can the investors at reasona and and get to know the sm ons. The same is true with referen man mital where the risk is son r, or the term for repaym ...a is the case of loans wa um reial b**anks can mak**e. Tims : le, chronic condition that is er tho the whole community of air re, both old ones and new ones. ninded. The subcommittee or ... man Business Committee of wmc. e mirman has run up against : and disheartening fact every e ve turned.

gray problem we have investigamick at least in part, to this pr obtaining adequate amounto empited. The problem is rapidly are ing more acute, and it will continue do so Every year, almost every mor to taues more capital equipment fo business firm to carry on a given volu of business, to say nothing of increas and expanding the volume. More t chines are needed, more office equ ment, and more labor-saving devices all hinds. This is as it should be. one would wish our business enterpr to b. run by hand methods. Yet dur the last several years of business p. parity, with business firms generally resting in unprecedented amounts apital for modernization and expansi mail fifte... have not been able to I pace. They could not obtain the necary capital funds. And small-bush failures have been increasing.

OUR ECONOMIC STOTEM IS AT A CROSSROA

Dun & Bradstreek reported 333 iness failures last week, which was greatest number of failures in any since 1940.

In the whole of last year, there is 13,739 business failures according to & Bradstreet's count. Also, according Dun & Bradstreet's count these were amounted to a failure state of